

1 **Q. (Reference Application, 3.2 Transmission Line 94L Rebuild, page 11) It is**
 2 **stated "Recent increases in contractor pricing have significantly increased**
 3 **costs associated with completing the approved Project." Did contractor**
 4 **pricing lead to the significant cost increases or did NP's failure to identify the**
 5 **extent of the bog issue lead to significant cost increases? Please provide a**
 6 **breakdown for the significant cost increase.**

7
 8 A. Cost increases were due to increases in contractor pricing and difficulties with the
 9 terrain. See part a) of the response to Request for Information PUB-NP-034.

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 11 Table 1 provides a comparison of the originally budgeted contract labour costs, as
 12 contained in Newfoundland Power's 2022 Capital Budget Application, and currently
 13 forecasted contract labour costs for the Transmission Line 94L Rebuild project.

14
 15 The information in Table 1 includes forecasted costs associated with Alternative 1
 16 identified in Report 3.2 - *Transmission Line 94L Rebuild* project. In its assessment of
 17 alternatives, Alternative 1 was determined not to be least cost. Alternative 2 is the
 18 preferred alternative.
 19

| Table 1: Original Contract Labour Budget versus Actual/Forecast Cost | | |
|--|-----------------|-----------------------------|
| Scope | Budget (\$000s) | Actual/Forecast (\$000s) |
| Scope 1 | 2,050 | 4,291 ¹ |
| Scope 2 | 1,971 | 5,540 ² |
| Scope 3 | 1,990 | 8,611 ³ |
| Total | 6,011 | 18,442 |

¹ Actual cost incurred 2023.

² Forecasted cost for Alternative 1.

³ Forecasted cost for Alternative 1.